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DATE FILED: 8/25/10

August 25, 2010

MEMO ENDORSED

The Application is granted.

SO ORDERED:

Paul G. Gardephe
Paul G. Gardephe, U.S.D.J.

Dated: *Aug 25, 2010*

BY FACSIMILE (212) 805-7986

The Honorable Paul G. Gardephe, U.S.D.J.
United States District Court
Southern District of New York
500 Pearl Street, Room 920
New York, NY 10007

Re: Donahue v. Advanced Equities, Inc.,
S.D.N.Y Case No. 09 Civ. 10447 (PGG)

Honorable Judge Gardephe:

We represent Defendant/Third Party Plaintiff Advanced Equities, Inc. in the above-entitled action. We write pursuant to the Court's instruction to provide updated information with respect to the settlement status of this matter.

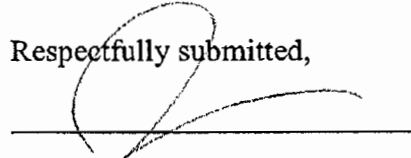
Specifically, we can report that all parties are continuing to pursue good-faith efforts at settling their respective disputes. However, lead counsel for both Plaintiff and Defendant/Third-Party Plaintiff are traveling out-of-town this week, and do not expect to be able to resolve the major issues in the case until next week, if such a resolution is possible. For the same reason, Defendant/Third-Party Plaintiff does not expect to be able to report on any final settlement with Third-Party Defendant Frank Mazzola until the same time.

We respectfully suggest that the parties be permitted to report again to the Court in one week with respect to whether or not settlement has been achieved, and if not, that the parties be directed to proceed with fact discovery in accordance with the modified, September 30, 2010 cut-off date approved by the Court in response to the parties' request of August 11, 2010, and that a status conference be scheduled for a time shortly thereafter at the Court's convenience.

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Respectfully submitted,



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